

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Easthampton Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 15, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.25% and a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl

P:\actuarial\APPROP\Approp19\easthampton approval.docx

Enc.



Alternative 1
7.25% Investment Return
5.0% Total Cost Increasing

**Easthampton Retirement System
January 1, 2018 Actuarial Valuation**

Total cost increases 5.0% per year until FY31 with a final amortization payment in FY32

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of 2003 ERI</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Change in Cost</u>
2019	1,242,926	100,000	86,003	1,627,071	3,056,000	20,361,629	
2020	1,298,857	100,000	86,003	1,724,140	3,209,000	20,011,224	5.0%
2021	1,357,306	100,000		1,911,694	3,369,000	19,531,913	5.0%
2022	1,418,384	100,000		2,018,616	3,537,000	18,909,569	5.0%
2023	1,482,212	100,000		2,131,788	3,714,000	18,128,097	5.0%
2024	1,548,911	100,000		2,251,089	3,900,000	17,169,294	5.0%
2025	1,618,612	100,000		2,376,388	4,095,000	16,013,770	5.0%
2026	1,691,450	100,000		2,508,550	4,300,000	14,640,866	5.0%
2027	1,767,565	100,000		2,647,435	4,515,000	13,027,503	5.0%
2028	1,847,106	100,000		2,793,894	4,741,000	11,149,082	5.0%
2029	1,930,225	100,000		2,947,775	4,978,000	8,978,308	5.0%
2030	2,017,085	100,000		3,109,915	5,227,000	6,486,072	5.0%
2031	2,107,854	100,000		3,280,146	5,488,000	3,640,263	5.0%
2032	2,202,708	100,000		408,988	2,711,696	406,618	-50.6%
2033	2,301,830	100,000			2,401,830	0	-11.4%

Appropriation payments assumed to be made on August 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$420,000

FY19 amount maintained at level of current funding schedule